

MINUTES OF THE
EMERGING MANAGER COMMITTEE
MEETING HELD
THURSDAY, SEPTEMBER 23, 2010 – 3:00 P .M.

Present:	<u>Committee Members</u>	John Casey James Clayborne Daniel Hynes
	<u>Board Members</u>	Roderick Bashir Devon Bruce Michele Bush
	<u>Staff</u>	William Atwood Johara El-Harazin Linsey Schoemehl Lorna Scott Katherine Spinato Alise White
	<u>Guests</u>	Marquette Associates Brian Wrubel and Elizabeth Francis Podesta & Co. Sharon Piet
Absent:	<u>Committee Member</u>	Alexi Giannoulis

ROLL CALL

Chairman Clayborne called the meeting to order at 3:05 p.m. The Secretary called the roll and noted that a quorum was present.

MINUTES OF PREVIOUS MEETING

Mr. Casey moved to approve the minutes of the Emerging Manager Committee meeting held June 24, 2010, in the forms previously submitted. Comptroller Hynes seconded and the motion passed unanimously.

REVIEW AND DISCUSSION OF EMERGING PROGRAM

Chairman Clayborne called on representatives of Marquette Associates to review the ISBI Minority/Emerging Program. Ms. Francis referred to the report "Emerging & Minority Program Review" dated July 31, 2010, which was previously distributed. (Official minutes contain attachment.)

Ms. El-Harazin reviewed the Buford, Dixon, Harper and Sparrow performance and stated that representatives of that firm would be presenting to the Committee.

EXISTING MANAGER PRESENTATION

Buford, Dixon, Harper and Sparrow

Messrs. Young and Ramos were invited to join the meeting. Following introductions, copies of written presentations were distributed. (Official minutes contain attachment.) Following the presentation and answering questions posed by Committee members, the Buford Dixon representatives thanked the Committee for its time and excused themselves from the meeting.

Comptroller Hynes moved to go into Executive Session to discuss specific investment manager contracts (5 ILCS 120/2(c)(7)). Mr. Casey seconded and the motion passed unanimously.

EMERGING MANAGER FIXED INCOME SEARCH

Presentation – Garcia Hamilton

Marquette representatives and Staff reviewed the fixed income manager search and referred the Committee Members to the consultants report "Int. Govt/Corp Fixed Income Manager Search and Ms. El-Harazin's memorandum "Emerging Intermediate Government Credit Fixed Income Investment Advisory Recommendation" dated September 21, 2010. (Official minutes contain attachments.)

Ms. Schoemehl disclosed the ownership structure of the firm and stated that Garcia Hamilton had made no political contributions to ISBI Board Members.

Mr. Garcia and Ms. Rodriguez were invited to join the meeting. Following introductions, copies of written presentations were distributed. (Official minutes contain attachment.) Following the presentation and answering questions posed by Committee members, the Garcia Hamilton representatives thanked the Committee for its time and excused themselves from the meeting.

Following the presentation, Comptroller Hynes moved to approve the recommendation to the Board from Marquette and Staff for an allocation of \$50 million to Garcia Hamilton & Associates, subject to successful contract negotiations. Mr. Casey seconded and the motion passed unanimously.

EMERGING TRANSITION MANAGER SEARCH

Marquette representatives and Staff reviewed the transition manager search process and referred the Committee to the consultant report "Minority/Emerging Transition Management Search" and the memorandum "Minority Transition Manager Search" dated September 21, 2010. (Official minutes contain attachment.) Following the review, Marquette and Staff and consultant recommended the retention of Loop Capital Markets to provide transition management.

Ms. Schoemehl disclosed the ownership structure of the firm and reported that Loop Capital Markets had made \$250 contributions to Alexi Giannoulis in both 2007 and 2009.

Comptroller Hynes moved to recommend to the Board retaining Loop Capital Mangers as an emerging transition manager. Mr. Casey seconded and the motion passed unanimously.

UNFINISHED BUSINESS

None.

NEW BUSINESS

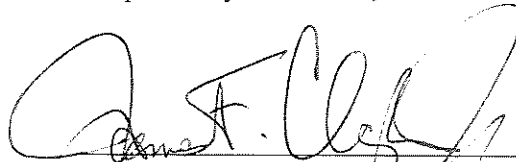
None.

NEXT MEETING AND ADJOURNMENT

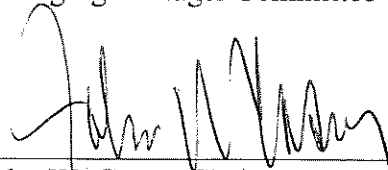
Chairman Clayborne stated that the next meeting of the Emerging Manager Committee would be schedule some time in late January/early February, 2011.

At 4:40 p.m., there being no further business to come before the Committee, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "James F. Clayborne", written over a horizontal line.

James Clayborne, Chairman
Emerging Manager Committee

A handwritten signature in dark ink, appearing to read "John W. Casey", written over a horizontal line.

John W. Casey, Chairman
Illinois State Board of Investment